

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN
MYSORE.

Notification No. A., dated Camp Hassan, 6th January 1913.

The following model bye-laws applicable to Federal Co-operative Banking Unions is published for general information.

M. A. NARAYANA IYENGAR,
Registrar.

Bye-laws of the.....Federal Co-operative Banking Union.

1. *Name.*—The name of the society is the.....Federal Co-operative Banking Union, Limited.

2. *Address.*—The registered address of the society is the.....Taluk.....

3. *Objects.*—The objects of the society are—

(a) To organise, finance and control Co-operative Societies within the.....and by constant inspection and supervision to maintain the purity of their co-operative principles.

(b) To receive deposits from members and to allow interest thereon.

(c) To grant loans to Co-operative Societies in the

(d) To receive deposits or borrow from non-members when funds are needed for purpose (c).

(e) To secure loans for registered societies which are members from outsiders by guaranteeing the same, or otherwise.

(f) To do all such other acts as are incidental or conducive to the attainment of the above objects.

4. *Membership.*—The members of the union shall consist of—

(a) the persons or registered societies who subscribe to the application for registration, to be called the founders;

(b) such persons or registered societies as shall from time to time become members of the union by election under these bye-laws. The number of individuals who are admitted as members shall not exceed the number of societies which are admitted as members.

5. Members must be either—

(a) persons residing within the.....

(b) Registered societies whose headquarters are within the.....of.....

A Co-operative Society which is a member of the union shall be termed an affiliated society.

6. A person wishing to become a member must submit to the Secretary of the union an application supported by two members of the union, certifying that the applicant is known to them, is qualified to be a member according to the provisions of the law, the rules and the bye-laws, and is honest and of good character. The application shall be considered by the committee and if the committee thinks fit, the candidate will be admitted as a member. But he shall not be entitled to receive any loans from the union.

A society wishing to become a member shall apply to the committee and produce its certificate of registration. The committee, after enquiry, may, if it thinks fit, admit the society as member.

7. (a) The candidate whose application is accepted shall then sign his name in the register of members, pay an admission fee of rupees two, subscribe to at least one share and pay an amount of Rs. 25 on each of the shares subscribed for. The balance of the share value shall be payable on call. He shall further pay a share

fee of rupee one on each share for which he subscribes. The candidate shall then acquire all the rights, privileges, duties, and liabilities of a member of the union subject to these bye-laws.

(b) Every person who is a member must be ready, if called upon, to serve on the committee without any remuneration for his services.

(c) In the case of a member who is a registered society, the rights and privileges of a member shall be exercised and the duties performed, by a properly authorized person on behalf of such society being a member of such society.

8. *Liability of members.*—There shall be.....shares in the union of which.....shares shall be reserved for affiliated societies and.....shares shall be open to private individuals.

9. In the event of the union being wound up, every present and past member shall be liable to contribute to the assets of the union up to the amount sufficient for the payment of the debts and liabilities of the union, and costs, charges and expenses of the winding up, and for the payment of such sums as may be required for the rights of contributories among themselves, subject to the following qualifications :—

(a) No past member shall be at all liable if he has ceased to be a member for more than two years before the commencement of the winding up.

(b) The estate of a deceased member shall not be at all liable if he died more than one year before the commencement of the winding up.

(c) No member shall be liable for any debt, contracted after he ceased to be a member.

(d) The liability of an affiliated society for the debts of the union shall be limited to ten times the value of the shares for which it subscribes, and, in the case of individual members, it shall be limited to the actual value of the shares subscribed for by them.

10. *Cessation of membership.*—Membership ceases by death, ceasing to hold any share of the union, withdrawal, permanent removal of residence from the prescribed area and expulsion.

11. When a member dies, his share or interest shall be disposed of according to the provisions of Section 16 of the Regulation, subject to the following provisions :—

The Secretary shall make up the account of all other moneys due to him from the union including unpaid dividends and outstanding deposits with interest, and all sums that are due from him to the union. If there is a balance in his favour, it shall be paid to his nominee, heir or legal representative. If there is a balance in favor of the union the share or interest shall not be transferred until the amount has been cleared. No share shall be transferable without the approval of the Managing Committee of the union.

12. When, with the approval of the Committee of Management, a member transfers all the shares he holds under bye-law 40, or when all his shares are transferred by the society in payment of his debts under Section 20 of the Regulation, or forfeited for non-payment of share calls under bye-law 37 he ceases to hold any shares and at once ceases to be a member.

13. No member can withdraw from the union within two years of joining the union if an individual, and within five years of joining the union if an affiliated society, nor can the member withdraw,

(i) if he is in debt to the union, or,

(ii) if he is surety for another member who is in debt to the union.

14. A member, who permanently removes his residence from the area prescribed in bye-law 5 shall at once cease to be a member.

15. (a) The committee may expel any member from the union under the following circumstances :—

(i) if he continues to default in his payments to the union in respect of any instalment of share, loan or interest, after having been served

- with three notices from the committee at intervals of one month between each notice, or
- (ii) if the union is put to the necessity of taking proceedings against him to force him to fulfil the obligations he had undertaken towards it.
- (b) The committee shall expel from the union any member, who,
- (i) deliberately commits a serious breach of the rules or the bye-laws, or
 - (ii) wilfully deceives the union by false statements or fictitious documents or endeavours in any way to defraud the union, or
 - (iii) is declared bankrupt, or
 - (iv) is convicted of any criminal offence which in the opinion of the committee is of a serious nature, or
 - (v) becomes legally or mentally disabled, or
 - (vi) does any act, which is likely to be injurious to the credit, reputation or stability of the union.
- (c) Any member expelled by the committee may appeal to the General Meeting.

16. No money due to a person who has ceased to be a member under bye-law 9, shall be refunded until two years have passed from the date on which he ceased to be a member, unless the committee for special reasons direct otherwise. If any amount was deposited for a longer period, it shall be refunded after the expiry of that period. The admission fee and the amount paid up on any forfeited share shall in no case be refunded. If any money be due to the union from a past member, the committee shall at once proceed to recover it from him, or if he is dead from his heirs.

General Meeting.

17. The supreme authority of the union is vested in the General Meetings. The Chairman of the General Meeting shall be elected from among the members. All matters discussed shall be decided by a majority of votes unless a special majority is required by the rules or the bye-laws. The Chairman shall have a casting vote in the case of an equality of votes on both sides of a division.

18. All members can attend the General Meetings and each member shall have one vote. An affiliated society shall attend by its authorised representative.

19. Unless otherwise required by the rules or the bylaws, fourteen days' notice, at least specifying the place, the day and the hour of the meeting and the nature of the business to be transacted, shall be given to the members by circulating the notice or one or more copies of it among members. The notice shall be sent to the societies which are members by post addressed to the Secretary at the registered address of the society. The non-receipt of such notice, if circulated or posted in the manner aforesaid, shall not invalidate the proceedings of any meeting.

20. The Annual General Meeting of the union shall be ordinarily held in the month of July. The following matters shall be discussed at this meeting:—

- (a) The passing of accounts and balance sheets of the previous year.
- (b) Adoption of the annual reports of the committee and the controllers.
- (c) The election of the Chairman and other Directors, whose terms of office have expired or will soon expire.
- (d) Fixing of the maximum amount that the committee shall be empowered to borrow in the current year and the maximum rate of interest to be paid thereon.
- (e) Fixing of the maximum amount of the loan that may be given to any one member, at a time, in the current year.
- (f) Fixing for the current year the rates of interest to be levied from the borrowing members and the periods for which loans may be granted and the rates of interest to be paid to depositing members and the different periods for which deposits may be taken.

- (g) Sanctioning the contingent expenses and rewards to office bearers.
- (h) Declaration of dividends.
- (i) Disposal of profits.
- (j) Fixing the maximum and minimum share capital for the current year.

Extraordinary.

21. General Meetings can be called, whenever necessary at the requisition of the Registrar, the committee, the controllers or members numbering at least one-fifth of the number of registered members. The questions to be discussed at such meeting shall be notified to the members.

22. One-fifth of the number of registered members shall form the quorum at a General Meeting, unless otherwise required by the rules or the bye-laws. If a quorum is not present, the meeting shall be adjourned to a date, not less than four and not more than ten days beyond, unless the meeting was called on a requisition of members, in which case, it shall be dissolved. At an adjourned meeting, ten members shall form a quorum, unless otherwise required by the rules and the bye-laws.

23. The proceedings of all General Meetings shall be recorded by the Secretary and signed by the Chairman. A copy of the proceedings shall forthwith be sent to the Registrar.

Committee of Directors.

24. The committee shall consist of not less than five and not more than ten members who shall be called the Directors. One of them shall be the Chairman, and another the Secretary. The Chairman and the Secretary of the committee shall also be the Chairman and the Secretary of the union.

25. (a) The Chairman of the committee shall be elected at the Annual General Meeting and hold office for one year or until his successor is appointed at a General Meeting. In case of a temporary vacancy, the Directors shall elect one of their own body to act as Chairman.

(b) The Directors, other than the Chairman shall be elected at the General Meeting not more than half of them shall be elected from amongst the individual share-holders and at least half from amongst the representatives of the affiliated societies.

(c) The Directors shall appoint one of themselves to be the Secretary, who shall hold office for one year or until his successor is appointed, after the term of his office has expired.

(d) A retiring Director, Chairman, or Secretary shall be eligible for re-election.

(e) If any Director is absent from his office for more than six months, he shall be deemed to have resigned, and a new Director may be elected in his place.

26. The entire executive authority of the union is vested in the committee, subject to the bye-laws and the instructions of the General Meeting. Three Directors shall form a quorum at a meeting of the committee. The Chairman shall have a casting vote in case of an equality of votes.

27. The committee shall meet at least once a month. Any member of the union can attend the meetings of the committee. The proceedings of the committee shall be recorded by the Secretary and signed by the Chairman and shall be open to inspection by any member of the union. A copy thereof shall be submitted to the Registrar.

28. The committee may make rules for their own guidance in regard to the following matters:—

- (a) Procedure at their meetings,
- (b) hours of business,

- (c) distribution of duties among the Directors,
- (d) custody of books, accounts, and securities of the society and the place where they should be kept,
- (e) receipt, disbursement and custody of money,
- (f) testing the security of outstanding loans and taking action when loans are misapplied, and,
- (g) appointment, punishment and dismissal of the paid servants of the union.

29. The Chairman and the Secretary shall have power to execute any document of obligation on behalf of the union in favour of any person not a member. The Chairman or the Secretary is empowered to grant receipts of all money paid to the union by members. The share certificate shall be signed by the Chairman and the Secretary. The union shall sue and be sued in the name of the Chairman.

The authority to sign cheques is vested jointly in the Chairman and Secretary.

30. The duties of the committee of Directors shall be—

- (1) to deal with applications for membership and to allot shares,
- (2) to raise funds subject to the bye-laws,
- (3) to deal with applications for loans,
- (4) to appoint salaried and non-salaried officers and other employees as the work and interest of the union require and funds permit,
- (5) to prepare statement of accounts, which shall include an abstract of receipts and expenditure classified under the different heads, and a balance sheet showing the assets and liabilities and a profit and loss statement,
- (6) to deal with all cases of arrears and failure to observe obligations undertaken,
- (7) to make arrangements for the efficient inspection and audit of accounts of affiliated societies,
- (8) to transact all other business incidental to the management of the union.

31. The members of the committee of Directors shall be responsible for the good management of the union. They shall be liable to the union for any wilful neglect of their duties and for any distribution of profits or assets contrary to the provisions of the Act, the Rules or the Bye-laws.

Controllers.

32. Not more than four members who are not members of the Managing Committee shall be elected Controllers at a General Meeting. They shall hold office for two years or till their successors are appointed, but they shall be eligible for re-election. They need not hold any meeting, but may attend the meetings of the committee.

The duties of the Controllers shall be:—

- (a) to check the accounts of the committee at least once a quarter,
- (b) to rectify the cash in hand as often as possible, and
- (c) to test and sign the annual balance sheets. These duties may be performed individually or jointly by two or more Controllers.

33. The committee shall be bound to produce all documents and accounts and to give every available information to any of the Controllers when required to do so.

Supervision of affiliated Societies.

34. It shall be the duty of the union to supervise the working of its affiliated societies and to arrange for the inspection by one of its officers or by a

person or persons specially authorised by the committee of Directors of every such society at least once in each half-year.

Every affiliated society shall be bound—

- (a) to administer its work in strict conformity with its bye-laws and with the bye-laws of the union.
- (b) to carry out carefully the rules drawn up for its guidance by the union and to submit to the union such statements and reports as may be prescribed,
- (c) to take the sanction of the union before taking any loan from outside.
- (d) to send delegates to the union when required.

Shares.

35. The nominal capital of the union shall be Rs. 25,000 which shall be raised by means of shares of the following two kinds:—

- (a) Preference shares, the value of each being
- (b) Ordinary shares, the value of each being

The number of shares shall be limited to 50 of each kind, which number may be increased by a resolution of the General Meeting, but the number of ordinary shares shall never be less than half the total numbers of shares.

36. Shares can be held only by members and each member must hold at least one share and may not hold more than four. If a share falls into the hands of a person who is not a member of the union, the union shall not recognise the transfer.

37. Preference shares can be had only by individual persons whose residence is within the limits laid down in bye-law 5.

Individuals holding these shares shall not be entitled to any loans from the union, but shall have preference in the matter of dividends over ordinary shareholders in the manner described in Rule 41.

Ordinary shares shall be held only by Co-operative Societies in their corporate capacity. These societies shall be entitled to get loans according to the rules of the union, but in the matter of dividends they shall rank below the preference share-holders as laid down in Rule 41.

38. Of the nominal value of each share Rs. 25 shall be paid on allotment, and the balance shall be paid according to call provided that there shall be at least one month's interval between successive calls.

39. Interest at the rate of 10 per cent per annum shall be levied on all deferred payments of share calls from the date on which the calls fall due.

If the payment on account of shares remain unpaid for more than three months the committee may declare such shares forfeited together with all payments made thereon, and the rights of membership attaching to those shares extinct. Such shares may be renewed within a period of three months from the date of the notice of forfeiture on payment of all arrear amounts, including interest and renewal fee of Rs. 5 per share.

40. Shares cannot be pledged except to the union or to a member. They can be transferred only with the approval of the committee to the union, or to a member or to a person who is eligible for admission and whom the committee is willing to admit as a member; lent shares must be held for a period of at least 12 months before they can be transferred, and no member shall be permitted to alienate in any way shares belonging to him while indebted to the union. In case of transfer, the share certificate of both the transferrer and the transferee must be produced before the Committee, who shall recall them and issue fresh certificates embodying the effects of the transfer and register the transfer in the Register of shares. No transfer shall be recognised until the fresh certificates are issued.

41. Each member is entitled to a share certificate. The certificate can be renewed on the acquisition or transfer of the shares or when destroyed or lost. A fee of four annas shall be payable every time it is renewed.

Profits.

42. At the close of each working year of the union the net profits shall be divided as follows and in the order given:—

- (1) twenty-five per cent shall go to the Reserve Fund,
- (2) an amount not exceeding 15 per cent may be allotted for rewarding the Directors who perform the duties of Secretary, Treasurer and Accountant,
- (3) a dividend up to 5 per cent shall be paid on the amount paid up of preference shares,
- (4) a dividend up to 5 per cent shall be paid on the amount paid up of ordinary shares,
- (5) if there is still a balance one-half be applied to paying further dividend on all shares equally, subject to a maximum limit 6½ per cent on the amount paid up,
- (6) the remainder, if any, shall be utilised—
 - (a) in building up a Dividend Equalization Fund,
 - (b) in paying rebate to borrowing Societies in proportion to loans outstanding, subject to such conditions as to punctuality of payment of dues as may be imposed from time to time by the managing committee,
 - (c) in the repayment of borrowed capital,
 - (d) in increasing the Reserve Fund, or shall be carried forward.

Reserve Fund.

43. The Reserve Fund shall consist of—

- (a) twenty-five per cent of the profits annually placed to the fund in accordance with bye-law 42 (1),
- (b) any further sums allotted to it out of the profits or otherwise,
- (c) entrance fees and shares after deduction of the preliminary expenses incurred in constituting the union,
- (d) the value of all shares forfeited to the union and lapsed dividends.

44. The Reserve Fund shall be invested in such methods as may be approved of by the Registrar.

45. With the previous sanction of the Registrar, the loss of any year may be met from the Reserve Fund, provided that no dividend is paid on the shares that year.

46. If the union is closed or wound up, the Reserve Fund may be applied to such purpose, not inconsistent with the Act or the Rules, as may be determined, with the approval of the Registrar, by the majority of the members.

Deposits.

47. Interest on deposits at a rate not exceeding..... per cent shall be payable after the 30th June every year and the amount of interest shall be credited in the Pass Book on that date. Compound interest will not be paid, but the interest earned on the deposits, may, at the desire of the depositors, be taken as a fresh deposit or credited as a recovery against his loan account.

Loans.

48. Loans shall be granted only to registered Co-operative Societies and preference shall always be given to affiliated Societies. A Society requiring a loan shall apply to the committee in writing and the committee after such enquiry as is necessary may sanction the loan subject to such conditions as to repayment as it thinks suitable.

49. Interest on loans shall, as a rule, be payable on or before the 30th September, 31st December, 31st March and 30th June, or on such other dates as the

committee may direct. Interest shall be charged for the whole of the month in which the loan was granted.

50. The committee shall arrange to recover the loan by suitable instalments. If any instalment be not paid on the due date, the committee may, unless sufficient cause be shown, levy penal interest on the amount of the instalment unpaid, for the period from the date of default to the date of recovery.

51. Penal interest shall be levied at 9½ per cent per quarter or half anna per rupee per month. But the committee shall have power to remit the whole or part of the penalty according to circumstances.

General.

52. All disputes shall be decided by the committee. An appeal will lie from the decision of the committee to the General Meeting.

53. The accounts shall be kept in the forms prescribed by the Government and the Registrar. Information and returns required by the Registrar should be submitted without any unnecessary delay.

54. The year shall begin on the 1st July and end on the 30th June.

55. The society may become a member of and take shares in the Bangalore Central Co-operative Bank, Limited.

56. Any claim or dispute in respect of the business of the society between any person or society who is or has been a member, depositor or creditor of the society or who claims through any one who is or has been a member, depositor or creditor, and such society or its committee or any of its officers shall be referred to the Registrar for decision. No Civil Court shall have jurisdiction to adjudicate any such matters.

(1) The Registrar's decision shall be final and conclusive unless appealed against to Government within one month from the date of such decision or order.

(2) All orders passed by the Registrar may be executed either by him or through a Deputy Commissioner or through the heads of various offices in which the members are employed.

MYSORE CITY IMPROVEMENT TRUST BOARD.

PROCEEDINGS OF AN ORDINARY MEETING OF THE BOARD OF TRUSTEES FOR THE
IMPROVEMENT OF THE CITY OF MYSORE, HELD AT THE CHAIRMAN'S
OFFICE, ON SATURDAY THE 30TH NOVEMBER 1912.

PRESENT.

K. Chandy, Esq., B.A., Chairman.

TRUSTEES.

1. Dr. M. Srinivasa Rao, M.A., M.D., B.Sc., (Edin.), Deputy Sanitary Commissioner.
2. Mr. M. G. Krishnasami Rao, B.A., Vice-President
3. „ V. L. Manker, D.P.H., etc., Health Officer.
4. „ M. C. Rangaiengar, B.A.
5. „ Mahomed Jaffer Sahib.
6. „ M. Venkatakrishnayya.

ABSENT.

1. Mr. R. H. Campbell, I.C.S., C.I.E.
2. „ M. Anantharajaiya.